case study

Propel Helps South Africa's Largest ISP--
Set the Stage to Retain 100,000 New Customers

Background
MWEB is the largest ISP serving the South African market. Two years ago, the company went through an exhaustive evaluation process to determine ways to deliver increased value and build loyalty among their 250,000 subscribers. It chose Propel as their accelerator provider of choice. MWEB serves approximately 40 percent of the South African market for Internet services, and continues to grow its subscriber base through effective partnership, marketing and acquisitions.

Situation
MWEB was looking to grow its value-added services and strengthen its leadership position in the local market. It also wanted to ensure that the 100,000 new customers acquired from the purchase of Tiscali's South African operations remained with MWEB. Retaining existing and new satisfied customers is MWEB's number one priority.

Solution
MWEB chose to provide these newly acquired Tiscali customers with the Propel accelerator product via a CD mailer. Consequently, Tiscali customers were able to easily install and immediately benefit from the accelerator product resulting in an immediate benefit to MWEB's newly acquired customers. Mailing to remaining customers is ongoing in conjunction with the transition. MWEB plans to complete the transition of all 100,000 former Tiscali customers to its MWEBS servers by February 2006.

"Our accelerated service has seen the best take up of any MWEB value-add product," said Natalie Thayer, general manager, MWEB Home. "South Africa's Internet subscribers are wary of downloading applications from the Web, and we anticipate the mailing will significantly boost adoption of our accelerated services. We're confident that former Tiscali customers – who weren't offered accelerated services – will quickly enjoy the value provided by the MWEB Accelerator."

"Propel Accelerator was developed to fill a market need, and now, more than a quarter of MWEB's dial-up customers have improved their Web and email experience," said Steve Kirsch, CEO of Propel. "An added advantage for

MWEB is the increase in customer loyalty that comes from satisfied subscribers, which in turn reduces churn, ensuring that their subscriber base continues to rely on MWEB's services."

Due to the telecommunications environment in South Africa, maximizing the speed and power of dial-up connections helps subscribers to be more productive and saves them money. Although the South African market for broadband is growing, it is still very expensive for home and small business users. In addition to paying the Internet service provider fee, broadband customers must also sign an agreement to lease a dedicated data line from Telkom, the country's fixed line telecommunications carrier. Telkom also caps the amount of data that can be transferred over its lines, offering various limits at increasing price points based on a customer's needs.

Dial-up service is not capped and by using Propel Accelerator, MWEB's dial-up customers can download an unlimited amount of data nearly as fast as ISDN and 192k ADSL customers - all without having to pay for a dedicated data line.

Result
By offering Propel's Acceleration technology to new Tiscali customers, MWEB was able to retain existing customers and reduce customer churn resulting in stronger revenue streams for MWEB. The Propel accelerator solution allowed MWEB to facilitate installation and provide immediate acceleration benefits. In addition, MWEB is providing Tiscali dial-up customers superior performance, speed and graphics quality at a quarter of the cost of broadband, while improving customer satisfaction and loyalty.

"Our dial-up customers are very happy with the increase in speed offered by the Propel Accelerator product. This has had a favorable effect on our churn rate," said Mervyn Goliath, general manager of MWEB technology operations. "We couldn't be more pleased with the results that the Propel Accelerator has provided us."

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